

WILLIAMS MULLEN

Ethan R. Ware
Direct Dial: 803.567.4610
eware@williamsmullen.com

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July 12, 2017

Gregory D. Luetscher, Esq.
Associate Regional Counsel
US EPA Region 4
Atlanta Federal Center
61 Forsyth Street
Atlanta, GA 30303-8960

Re: EPA Letter of June 30, 2017
Burlington Industries Cheraw Superfund Site, Cheraw, Chesterfield County, SC

Dear Greg:

On behalf of Highland Industries, Inc. ("Highland"), we are responding to the United States Environmental Protection Agency (EPA) letter of June 30, 2017 ("EPA Counter Offer"). In the EPA Counter Offer, EPA states it cannot accept Highland's March 31, 2017 mixed funding and cash-out settlement proposal that includes performance of the removal action on significant portions of the Site and a release of broad liability in exchange for payment of a sum certain. Secondly, EPA states it will diligently continue its search for Potentially Responsible Parties (PRPs) while the removal work is being conducted at the Site. Lastly, EPA requests Highland notify it by July 7, 2017, if it is willing to move forward with negotiations for removal activities. EPA granted Highland a short extension until today to provide its response.

We are writing to inform you Highland is willing to move forward with negotiations for the company to perform a limited scope of work under an expedited staged approach.

In order to expedite these negotiations, Highland is awaiting approval from ownership in Japan on a good faith offer with the following general terms:

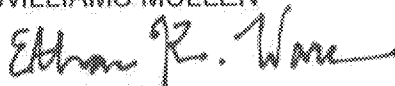
1. Performance of removal activities on:
 - a. The Highland Plant property;
 - b. The mounds previously identified by EPA;
 - c. The western ditch (along Pecan Drive approximately 1000 feet); and
 - d. Huckleberry Park (including enhancements for the benefit of the community).
2. A covenant not to sue from EPA for response actions performed by Highland;
3. Waiver of EPA past costs; and

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4. Waiver of EPA future oversight costs relating to enforcement matters such as PRP search costs and legal fees.

We look forward to a response from EPA and a revised draft Administrative Order on Consent.

Sincerely,
WILLIAMS MULLEN


Ethan R. Ware

cc: Teresa Mann, Esq., EPA